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CURRENT SERIAL RECORDS

**THIS IS
USDA'S
CONSUMER
&
MARKETING
SERVICE**

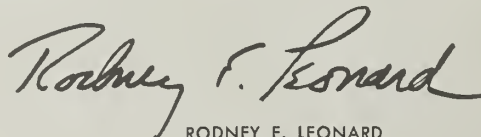
Foreword

The Consumer and Marketing Service is a U.S. Department of Agriculture agency designed for a new age of service to consumers, farmers, and those who market food and other products of the farm.

When Secretary of Agriculture Orville L. Freeman announced the formation of C&MS on February 8, 1965, he pointed out that it brings together in one agency most of USDA's action programs of service to consumers and those which strengthen the marketing systems for food and fiber.

These services range from food programs designed to share the Nation's farm abundance with children and the less fortunate—to the inspection for wholesomeness of most of the Nation's supply of meat and poultry—to the advising of consumers and the food trades monthly on which foods are plentiful.

Some of these programs are new—many are long-standing—but none are static. In an era of rapid social, political, and economic change, C&MS services must keep pace. It is the purpose and the goal of this agency to help provide for this country the most efficient, most dependable, most economical, and most equitable marketing system for farm products. To do so, C&MS must find and employ the best management techniques and insure the most efficient use of manpower and resources. Its services must be flexible, its employees alert, its management responsive—to meet the fast-changing needs of today—and tomorrow.

A handwritten signature in dark ink, reading "Rodney E. Leonard". The signature is fluid and cursive, with the first name "Rodney" and last name "Leonard" clearly distinguishable.

RODNEY E. LEONARD
ADMINISTRATOR

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This is USDA's Consumer and Marketing Service

Consumers -- and Marketing

If you are a typical American consumer, you shop for food once a week in a spacious, air-conditioned supermarket, select from about 7,000 items carried in stock by the store, and pay less than 18 percent of your spendable income for your food purchases.

You don't have to question the safety of the foods you buy—and seldom the quality—nor wonder if there will be enough on hand to meet your needs on the next shopping day.

It's hard to realize that it was not always this way in this country—and is not today in most countries.

What makes the difference? Many factors enter in—a forming system that is the most productive and efficient in the world—a competitive enterprise economy that spurs individual initiative—the demands of consumers themselves for good quality, variety, convenience, and service. But, still, the kind of food shopping that you take for granted today would not be possible without the smoothly functioning and highly efficient marketing system we have in this country.

This marketing system is the essential bridge between the producer of corn, milk, cattle, and other agricultural products, and the final consumer. It is a system that is highly complex, varied, and extensive—linking together a multitude of functions and individual decisions in a notion that spans 3,000 miles. It is many things to many people.



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To our largely urban population, it is the whole process that keeps millions upon millions of us supplied with our daily food needs. It is the process that transforms the raw product into bacon, bread, canned and frozen fruits and vegetables, and countless other prepared foods—ar brings it fresh from the fields—and gets it to each of us regularly, dependably, and safely for our 1,095 meals a year.

To the farmer, the producer of the raw products that make up this food supply, marketing is his sales outlet and the source of his income. Sometimes he markets only once or several times a year—and these few transactions determine his profit for an entire year's work.

To yet other millions of people, marketing is a weekly wage—a business—a means of livelihood. These are the people who buy and sell, transport, assemble, store, process, package, and merchandise the products of our nation's farms. The manager of your food store is one of these people—so is the operator of the livestock market, the worker in the tomato cannery, the driver of the poultry truck, and the laboratory technician in the dairy plant. Close to 10 million people work in the marketing of farm products—it employs more people than any other form of enterprise in this country.

Altogether, marketing is a process of immense economic value. For foods, more than two-thirds of the cost—or the value—is added in marketing. For non-food agricultural products, such as cotton, wool, and tobacco, marketing adds even more of the value. To an ever-increasing degree, the cost of marketing determines the price we pay for our food and other products of farm origin.

All of this adds up to the reasons why an efficient, fair and economical marketing system is important to every person in this country.

To help attain just that is the purpose of USDA's Consumer and Marketing Service. Its mission is to service the marketing system, regulate, improve, and protect it—to help give force to the principle that our supply of food and other farm products shall move from producer to consumer quickly, efficiently, safely, and with fairness to all.

That, in summary, is the job of C&MS. It is a big job and a complex job, like the marketing system itself. It is carried out in many different ways and with the help and cooperation of many people. State departments of agriculture, for instance, cooperate in several programs.

In one aspect of its work, C&MS is responsible for underwriting the quality and wholesomeness of much of the nation's food supply. These services are directly in the interest of the consumer. Yet they also serve to facilitate trade and help the farmer by strengthening consumer confidence and demand.

In the same way, other services, such as market news and marketing agreement and order programs that benefit the farmer directly, also serve the interest of consumers and of business by making marketing more orderly and efficient.

Still other services, such as those of safeguarding competition in the marketing of the foods for which we spend the most—meat, poultry, fruits, and vegetables—benefit equally the producer, the marketer, and the consumer.

In programs that improve the diets of the nation's school children and the needy, farmers and the food trade also benefit directly as the result of wider markets and the removal of foods that are temporarily in excess supply.

In every kind of job that it does, the Consumer and Marketing Service truly serves the interest of all—that which we properly call the public interest.

The Organization and Its People

To carry out its work, C&MS maintains a nation-wide organization, headquartered in Washington, D.C., but with most of its employees stationed across the country, close to the people they serve.

The agency is headed by an administrator, an associate administrator, and five deputies who are responsible for directing consumer protection services, marketing services, marketing regulation programs, consumer food programs, and management.

Employees of C&MS include professionals of many disciplines—economics, veterinary medicine, animal husbandry, biology, business administration, journalism, home economics, agricultural science—and others. And they include many specialists who are highly trained in their particular field, such as inspectors and graders who are experts on one or more commodities.

These are the people who are C&MS—who carry out, day by day, the many responsibilities of the Agency, providing C&MS services where and when they're needed.

They work closely with State departments of agriculture, trade organizations, producers, and those engaged in handling, processing, transporting, and distributing farm products—and with State school lunch and commodity distribution directors, county welfare officials, and many other State and local government representatives.

The C&MS organization includes 14 program divisions. There are seven commodity divisions—Cotton, Dairy, Fruit and Vegetable, Grain, Livestock, Poultry, and Tobacco—which provide the standardization, grading, and market news services for the various commodities. They also perform many regulatory functions, enforcing such Federal laws as the Perishable Agricultural Commodities Act and the Federal Seed Act. These divisions have other functions, too, such as

surplus removal activities and administering the marketing agreement and order program.

Meat and poultry inspection is provided under the Consumer Protection Programs of C&MS. Inspection services are carried out by the Livestock Slaughter Inspection Division, Processed Meat Inspection Division, Poultry Division, Technical Services Division, and Compliance and Evaluation Staff.

The Transportation and Warehouse Division administers the U.S. Warehouse Act and examines warehouses storing Commodity Credit Corporation stocks, protecting the interests of farmers and others in the stored commodities. This division also works with farmers and their organizations to obtain and maintain just and reasonable rates and adequate services for the transportation of agricultural products and farm supplies. It also has the assignment of coordinating the Department's emergency food management activities.

Consumer Food Programs are carried out by the School Lunch Division, the Commodity Distribution Division, the Food Stamp Division, the Food Trades Staff, and the Consumer Food Programs Services Staff. The programs they administer include the National School Lunch Program, School Breakfast Program, the Special Milk Program, the Commodity Distribution Program, the Food Stamp Program, and the Plentiful Foods Program.

A special staff administers the Matching Fund Program, conducted by C&MS in cooperation with State departments of agriculture and marketing as a means of improving marketing services.

Support services are provided by staff divisions—Information, Administrative Services, Budget, Finance, Personnel, and by the Operations Analysis, Planning and Evaluation, and Statistical Staffs.



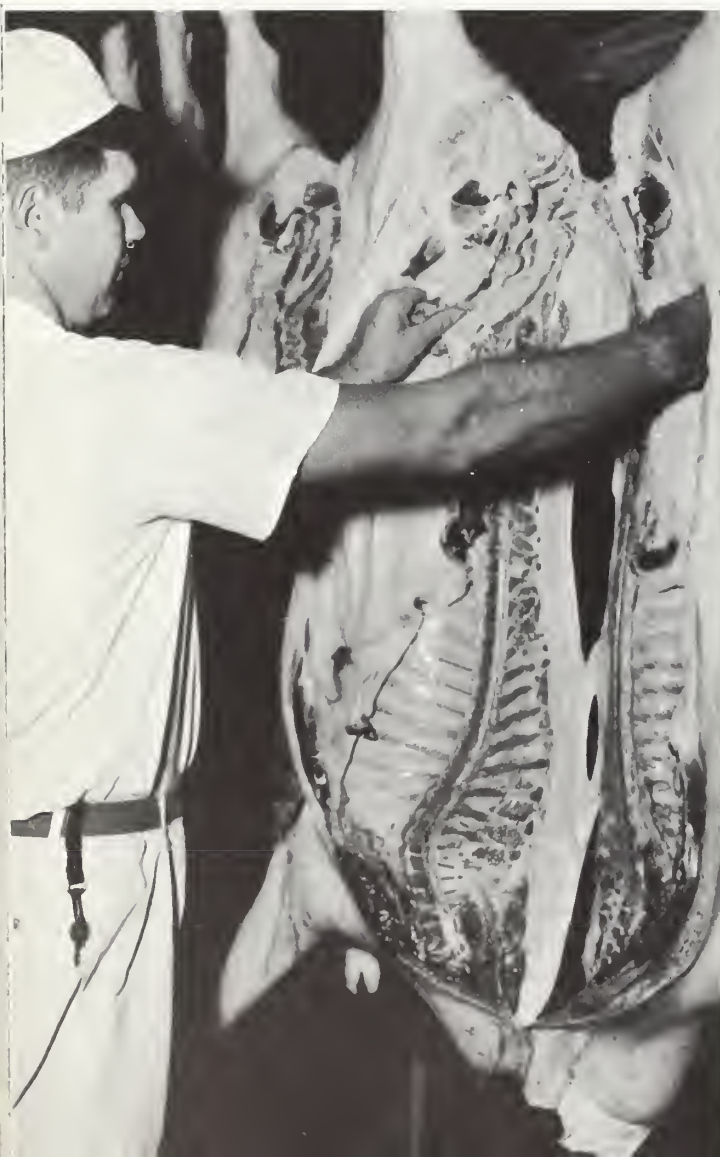
Consumer Protection

FOR SAFE AND WHOLESOME FOOD

Careful examination of each carcass—that's the bedrock foundation of Federal inspection for wholesomeness. Consumers are assured that every meat and poultry product bearing the round U.S. inspection mark has been approved as wholesome by a highly trained Federal inspector.

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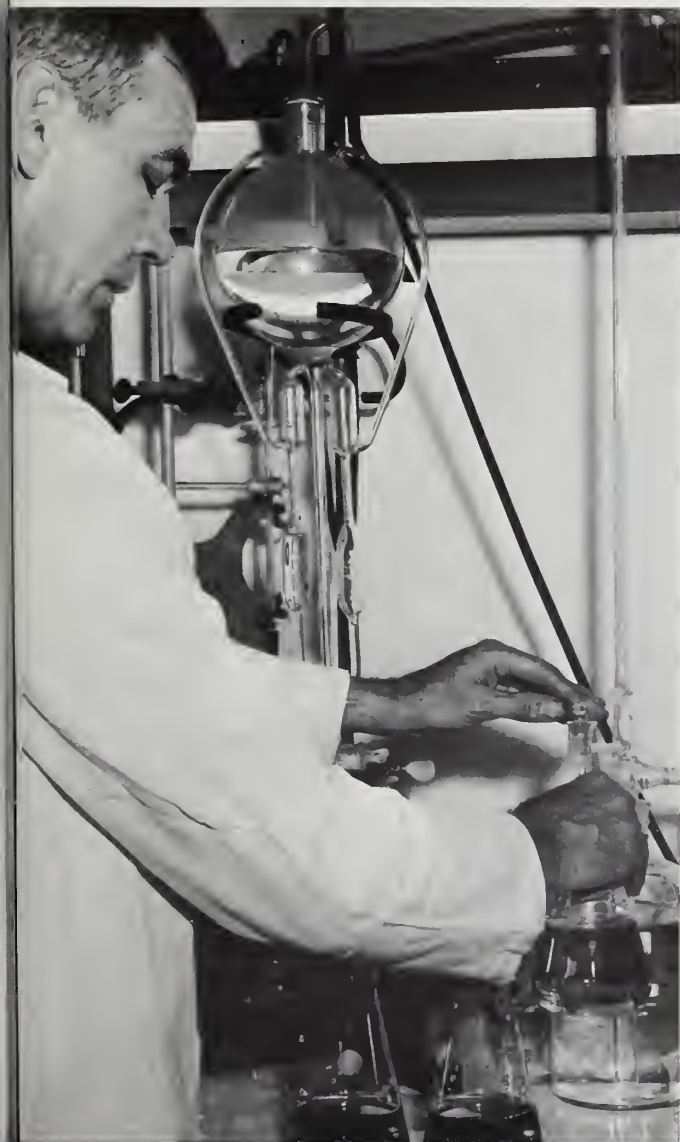
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Laboratories and test kitchens are important in meat and poultry inspection. The laboratories regularly test products for protein content, fat, moisture, and amounts of other permitted substances. In support of on-the-line inspection, they analyze samples to make sure that no unsafe ingredients are used.

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It is often said that American consumers are the best-protected and most fortunate in the world.

That statement can be made, in part at least, because of the consumer protection services of C&MS which assure the wholesomeness of much of our food supply. This includes the careful inspection—required by law—of every meat animal and every chicken, turkey, duck, or other kind of poultry processed in plants dealing in interstate or foreign commerce. And it includes similar protection for other foods—supervision of sanitation and operating procedures in plants which voluntarily contract for this service.

The Wholesome Meat Act of 1967 also provides for Federal financial and technical aid to States that wish to develop inspection programs equivalent to Federal inspection.

In the test kitchens, home economists check meat and poultry products to determine whether they meet the required standards of composition. Does a frozen pie, for instance, have the required amount of meat? Does the label accurately describe the product? Are cooking instructions adequate?

N-42285



Meat and Poultry Inspection

In meat and poultry slaughtering and processing plants across the country, some 6,500 Federal veterinarians and inspectors are on duty to make sure that consumers can rely on a supply of meat and poultry that is clean, wholesome, free from adulteration, and truthfully labeled.

This work is directed by highly trained professional employees who are graduates in veterinary medicine. All inspection is under their direct supervision.

Examination of each animal and bird—to make sure that it is healthy and fit for food—is only part of the inspection job. Other aspects include responsibility for slaughtering and processing plant construction and facilities—only those that are adequate to do a good and sanitary job are approved and granted inspection service.

It's also the inspector's job to see that proper operating procedures and sanitary measures are carried out in slaughtering and processing plants every

From the live animal or bird to the finished product, Federal inspectors supervise the preparation of meat and poultry products. No unfit animals or poultry are allowed to enter federally inspected plants. Every step in processing—curing, canning, freezing, grinding—is carefully controlled to safeguard inspected products against contamination or adulteration. At right, an inspector makes sure that frankfurters are properly packaged and labeled.

working day, to guard against contamination or adulteration.

This same type of careful supervision is exercised, and is required by law, in plants preparing meat and poultry products such as luncheon meats, frozen pies and dinners, and canned and dehydrated stews and soups.

In fact, the inspection and supervision process extends through each stage of preparation of meat and poultry for market, from the live animal and bird to the container and label. All labels used on federally inspected meat and poultry products must be approved prior to use. They must meet strict requirements for accuracy and be fully informative.

C&MS inspectors also examine imports of meat and poultry products. To ship these products to the United States, a country must maintain an inspection system equal to ours. C&MS inspection officials periodically review each country's system to insure that proper standards are maintained.

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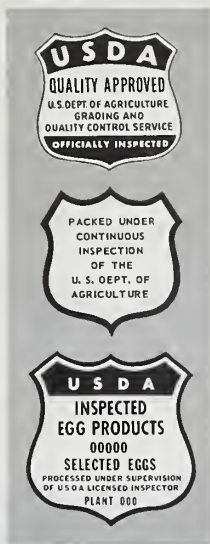
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Inspection of Other Foods

Voluntary continuous inspection services, for which a fee is charged, are offered by C&MS for fruit and vegetable products, for dairy products, egg products, and rabbits. These services provide sanitary and operating controls similar to those provided under meat and poultry inspection. C&MS inspectors are stationed in the processing plants and they are charged with making sure that only wholesome, clean products go into the manufacture and that strict control of sanitation and operating methods is exercised. A condition for obtaining and using such service is that the processing plant meet rigid sanitary and operating requirements that will assure a clean product, of acceptable quality. Plants must continuously measure up to these requirements, or service will be withdrawn.

Manufacturers who employ any of these voluntary services are entitled to carry on their labels the official Government shield stating the fact that the product was prepared under continuous USDA inspection.



C&MS continuous inspection and quality control services assure consumers of a clean and wholesome product. Here inspectors check on manufacture of (top left) cottage cheese; (bottom left) frozen concentrated orange juice; and (right) egg products. Each step in the processing of the products is carefully supervised.

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Marketing Services

FOR EFFICIENCY, ECONOMY, AND EQUITY

BN-5781



In any grocery store, anywhere in this country, you are likely to find fresh fruits and vegetables from California and Florida, beef from Illinois, pork from Iowa, chickens from Georgia, turkeys from Minnesota, and of course many other products from many other States.

This is commonplace. We take it for granted. Moreover we expect all of these products—and the others—to be of good and dependable quality and reasonably priced.

C&MS marketing services help to make this possible. They help to keep our whole national marketing system for food and other farm products operating in an orderly and efficient manner. They help consumers to select the kind of product they want to buy. They help retailers bring their customers good and reliable quality. They help farmers to know consumer desires and to receive a price commensurate with the quality of their product. They make possible a fast-moving trade in perishable products across a nation that spans 3,000 miles—and beyond.

Nationally-uniform standards of quality, developed and issued by C&MS for all major farm products, are the basis for much of this trade. And they are basic to the other C&MS marketing services—grading and market news. They are the tools of the Federal-State grading services, which provide official, impartial certification of quality. And they are the basis for the Federal-State market news reports—the market intelligence that helps farmers decide where and when to market and keeps products flowing to the right place, at the right time, for our unfailing food supply.

What the Grades Are

U.S. Grade A, U.S. No. 1, U.S. Choice—such terms are the language of trade in farm products and the food shopper's guide to quality.

These and similar grade names describe qualities of food and fiber just as pounds, dozens, and quarts describe quantities. In the same way, they are based on certain definite standards.

U.S. standards are the basis for the quality grades. These standards cannot be quite so precise as the standards for quantity—16 ounces to the pound, 4 cups to the quart—but they are based on practical attributes which determine the value and utility of the product. The standards for beef, for instance, describe such factors as the amount of marbling (fat interspersed within the lean), the color, the firmness, texture, and the age of the animal for each of the grades: USDA Prime, Choice, Good, Standard, Commercial, Utility, Cutter, and Canner. These factors are indicators of the tenderness, juiciness, and flavor of the meat—the characteristics of beef that are important to consumers.

Standards for each product describe the entire

range of quality. For this reason, the number of grades for a product depends upon its variability. While it takes eight grades to span the range of beef quality, for example, only three are required for frying chicken (U.S. Grades A, B, C) since the quality of this product does not vary so much as does that of beef. In the other extreme, there are 34 grades and more than 15 staple lengths for Upland cotton; there are from 20 to 150 grades for each of the various types of tobacco.

C&MS standardization specialists have developed grade standards for some 300 farm products. They develop new standards as new products come along or older products find increased use and standards are needed to facilitate trade. They revise established standards when necessary to reflect changes in production, in use, and in marketing practices—to keep them currently useful and accurate.

The men and women who develop the grade standards must be experts in their particular field. And they must study and keep up with changes in production, harvesting, movement, processing techniques, and sales of a product.

For, above all, the standards must be practical. They are meant to be used. In developing or revising standards, then, specialists must weigh the range of quality it is possible to produce against the qualities being produced in substantial amounts. It would hardly be practical to set standards for the top grade of any product so high that they would represent an ideal rather than an actuality.

And they must develop standards that can be easily understood and uniformly applied. For most grading is a subjective process—that is, the grader must judge the product, weighing in his mind how it compares with the standards.



However in recent years, more objective ways of grading have been developed and put into use for a number of products. Some of the tools now in use include colorimeters (used in grading cotton, tomatoes, and hay), the micrometer (used to measure the height of egg whites in a new egg grading program) and the refractometer (used to measure sugar content of cantaloupes).

Most of the standards are written descriptions of qualities. But for several products the standards are "practical forms"—actual samples of, for instance, the various grades and staple lengths of cotton against which cotton to be classed can be compared.

The use of the U.S. standards and C&MS grading services is mostly voluntary. In a few cases local, State or Federal laws require their use.

Certifying the Quality

No matter how good the standards for farm products are, though, they lose much of their value unless

they are interpreted accurately and applied consistently.

And this is exactly the purpose of the grading services provided by C&MS. These grading services are often operated cooperatively with State departments of agriculture, but training and supervision of the graders remains under the control of C&MS so that there will be nationwide uniformity in the grading.

Graders, like standardization specialists, must be experts in their field. And they must be able to make sound decisions, quickly and accurately, over long periods of time. Often the Government grader's decision means a higher, or a lower, price for the product.

Every working day, in all parts of this country, these graders are on the job determining and certifying the quality of the foods we eat and the fiber for the clothing we wear.

They work in meat and poultry packing houses, in fruit and vegetable and cotton producing areas, in tobacco auction markets, in the laboratories and on the

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production line in processing plants, in terminal markets and wholesale houses in the cities. They work, in fact, at any point where farm products are assembled into the large lots needed in today's mass merchandising system.

By far the largest amount of grading is done on the wholesale lots of food products. Consumers may see no evidence of much of this grading, but because of it, and other improvements in production and marketing, they are today getting foods of better and much more consistent quality than ever before.

But for some products, consumer grades are widely used. About 50 percent of the turkeys produced, for instance, carry the USDA grade mark when they appear in the retail store. And more than 80 percent of all fed beef produced is graded by Federal graders—in this case, the "wholesale" grading of the whole carcass simply carries through to the retail level. Practically everyone is familiar with the USDA grade shield on butter packages and egg cartons.

C&MS graders often work with scientific equipment, but sight, touch, taste, and smell still play an important part in their work. Here (opposite page) a meat grader evaluates a beef carcass, a butter grader gives the product the all-important taste test; (top, left) using models to help determine the grade of frozen french fries; (bottom, left) using an official sizing device on potatoes; (top right) the grain grader sniffs to detect off-odors in a sample of wheat; (bottom, right) the cotton classer works with an official standard—a box of samples selected by experts to be representative of a particular grade.

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Market News - Facts Fast

Almost everywhere trading in farm products goes on—in the country or in the city—there Federal-State market news reporters are at work, checking on qualities and quantities of the products sold, the prices paid, the demand, the movement, the trends.

They're gathering this news constantly, throughout every trading day. And as constantly, they're getting it out as published reports to the waiting public which needs it. The reports are disseminated, as a public service, through the facilities of radio and television, newspapers, and magazines. Bulletin boards and mailed reports are utilized, too.

Market news reporters gather and document information by personal observation of the transactions, by talking to buyers and sellers, by checking sales records. They must make sure that they are giving an accurate picture of the market—many people are relying upon their reports.

Like his fellow-employees in standardization and grading work, the market news reporter has to be an expert on each commodity he reports. For even if the product is not officially graded he must report prices paid for the various qualities in terms of the nationally-understood language—the U.S. grades.

Only in this way can prices and supply and demand be realistically compared from day to day and from market to market, throughout the country.

And farmers and others who buy and sell farm products need to make these comparisons. They need market news in making decisions on how much and what kind of product to grow, on where and when to market, on whether or not to accept a price bid. This information helps to keep the marketing pipelines filled—but not to overflowing—preventing unnecessary and wasteful gluts and shortages and helping provide

consumers with a reliable and reasonably priced supply of foods to meet their daily needs.

Market news reports may help an Indiana hog grower, for instance, to decide on whether to ship his hogs to Chicago or sell them at a nearby auction or direct buying station. Or if a heavy run is reported, he may decide to hold back for a few days. He will likely get these reports in his local newspaper or over radio or television—provided to these media by the Federal-State market news reporter.

Similar stories could be told about the need for market news for every other important farm commodity—and how this need is being met by the market news services.

The reports cover buying and selling of these commodity groupings: cotton and cottonseed; dairy and poultry; fruits and vegetables; grain, hay, and feeds; livestock, meat, and wool; tobacco and naval stores—more than 180 commodities in all.

Market news services are operated cooperatively with State departments of agriculture, and in the case of cotton, price quotation committees. C&MS provides the centralized direction and coordination so necessary to achieve nationwide uniformity and make the market news reports useful throughout the country.

C&MS maintains a 20,000 mile leased wire system that interconnects practically all of the market news offices. This makes the news from California available in New York—and many other points across the Nation—only minutes after it is released.

Today's farmers are finding more and more need for this information as they increasingly face competition from other areas in supplying the mass merchandising system that characterizes modern agricultural marketing.





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Where business is done—that's where market news reporters gather the facts. Here reporters interview (opposite page) a fruit and vegetable wholesaler, (top left) grain traders at the Chicago Board of Trade, and (top right) a tobacco warehouse owner and manager. At bottom left, machine operators in the C&MS leased wire room in Washington, D.C., one of the relay stations in the national market news system, punch out the tapes that will transmit the latest market information across the country. At bottom right, a market news reporter goes on the air through commercial broadcast facilities.



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Help in Times of Plenty

In these days of abundant production, farmers often need help in adjusting market supplies to the needs of consumers. C&MS programs provide several kinds of assistance.

MARKETING GUIDES

For several products, C&MS develops and issues marketing guides—a kind of business advisory service to give growers the best information possible about the probable needed production in the year ahead.

For a number of years, guides have been published for vegetables and melons for fresh market, sweet potatoes, vegetables for processing, and potatoes. They are issued seasonally, just before planting time, so that growers can consider the facts as they develop their own plans for the coming season. In 1965, at the request of the turkey industry, C&MS published the first marketing guide for turkeys.

C&MS commodity specialists who develop the guides really "live with" the situation for these products throughout the year. They draw upon all the latest and best information—the vast store collected by the Department of Agriculture, other government agencies, and industry associations. From this background, they develop a realistic estimate of just how much production will be needed to meet consumer demands at a reasonable price to producers.

Then they present their recommendations in the form of the percentage change from the production of the previous year that would bring about the desirable market balance—so that each producer can adjust his operation accordingly.

These recommendations are not allotments, but guides—and compliance is voluntary. The program is based on the assumption that given the best information possible the individual grower will make intelligent decisions for his and the Nation's best interest.

SURPLUS REMOVAL

When supplies outrun demand, and farm prices fall drastically, C&MS can sometimes help out with surplus removal programs. These programs serve to widen the market for farm products by encouraging domestic consumption, exports, or the development of new outlets and uses. They are carried out under authority of Section 32 of Public Law No. 320 (74th Congress).

"Section 32 programs" help to stabilize prices to farmers; and they make it possible to find useful outlets for many surplus farm commodities that might otherwise have been wasted. Products purchased are used to improve the diets of school children and needy persons.

The law authorizes funds for Section 32 programs on a continuing basis—without need for annual Congressional approval and appropriations. The amount of money available for the program is equal to 30 percent of the duties collected annually on imports.

Section 32 programs are used primarily to remove temporary surpluses of perishable products, but they have given aid to every segment of the agricultural economy. Products given assistance in recent years have included beef, butter, cheese, nonfat dry milk, turkeys, eggs, pork, lamb, dry beans, lard, potatoes and various other vegetables, fruits, cotton, and tobacco.

Mostly this assistance takes the form of direct purchase in the open market—and donation of the foods purchased to schools, institutions, and the needy, including those who are victims of disasters such as floods and hurricanes.

However, some assistance has been given through export and through diversion programs.

Diversion programs may take a number of different forms, including the development of new uses and byproducts or diversion to secondary uses. One such program was the development of new date products. Another was for the diversion of potatoes to the manufacture of starch and the feeding of livestock. Section 32 funds are used to reimburse producers (directly or indirectly through processors) for the lower returns they would normally get for selling products for such uses.

PURCHASES FOR SCHOOLS

C&MS also buys directly some of the foods used by schools taking part in the National School Lunch Program. These purchases, made under authority of Section 6 of the National School Lunch Act, are for the purpose of helping the schools meet the nutritional requirements of the program. Foods purchased are those that are in sufficiently plentiful supply so that the purchase will not disrupt commercial markets. Thus, school lunch purchases contribute to stabilizing the market situation—and they help broaden geographic markets to the benefit of farmers and marketers.

Matching Fund Program

C&MS lends a helping hand through a Matching Fund Program to States that want to develop their own marketing service programs.

C&MS reviews and approves proposed projects, helps participating States plan their programs, and gives counsel on particular problems. While the Matching Fund Program provides Federal funds for approved projects, which the States must match with at least an equal amount of money, the main responsibility for program development rests with the States. Nearly all States are taking part in the program, and since each has its own needs and problems, the projects vary widely from one State to another.

Projects which States have carried out under this program in recent years include one in Florida, where producers of sweet corn for fresh market were aided in getting the product to market faster and in better condition. In Virginia, with the help of USDA specialists, State marketing officials developed standards for dairy heifers, based on conformation and production records, as an aid to buying and selling.

In Colorado, the State Department of Agriculture helped farmers to organize for a better bargaining position in dealing with today's mass merchandisers; in Kansas a project concentrated on developing outlets for a new wheat products; in North Carolina considerable attention was focused on helping small farmers find processing outlets for their vegetables; and in California they are working on ways to develop improved methods of crop and livestock market news reporting.

And so it goes. In many other States similar projects are going forward, aiming toward better quality farm products, market development, improved marketing efficiency, better market information, and improved marketing structure.

These promotional materials were among those the New York State Department of Agriculture and Markets used in conducting a Matching Fund project to aid Long Island duck producers. With 5 million pounds of ducklings in cold storage stocks, and supplies at an all-time high, the duck producers faced a disastrous marketing situation. The market development project aided in selling more than 4 million pounds of duckling in a two-month period. The project also encouraged broader use of USDA grading services.





Market Regulation

FOR FAIR TRADE AND ORDERLY MARKETING

ST-2761-23



Our extensive, complex marketing system for food and fiber calls for orderliness. Assurance of dependable supplies and reasonable prices and protection against misrepresentation of products and against unfair business practices are important to consumers, producers, and marketers of food and farm products. And these are the purposes of the market regulation programs carried out by C&MS.

C&MS market regulation activities include marketing agreement and order programs that help to stabilize markets for a number of farm products, chiefly milk, fruits, vegetables, nuts, and cotton. And they encompass three major regulatory laws—the Perishable Agricultural Commodities Act, the Federal Seed Act, and the U.S. Warehouse Act.

Marketing Agreements and Orders

Marketing agreements and orders are a special kind of cooperation in marketing. They are a means through which farmers can organize for marketing—increase their bargaining strength—and generally work together to solve marketing problems they cannot solve individually. C&MS specialists make sure the orders operate in the public interest and within legal bounds.

The orders serve, broadly speaking, to even out the peaks and valleys of supply, make marketing more orderly, and thus assure consumers of reliable supplies and reasonable prices for the products regulated.

These are voluntary programs, initiated and designed by farmers. A marketing order may be issued by the Secretary of Agriculture only after a public hearing, at which farmers, marketers, and consumers may testify, and after farmers vote approval through a referendum.

For milk, a Federal order achieves market stability through regulating handling in a defined area. The order sets minimum prices, based on current conditions of supply and demand, which handlers must pay producers. Each order is adapted to a particular area to be regulated. Areas regulated include most of the Nation's major population centers. Terms of an order are carried out in the regulated market by a local administrator, appointed by the Secretary of Agriculture.

Federal orders require that milk be classified according to use—and a minimum price to producers is set for each use classification, such as bottling and manufacturing. Farmers are paid a "blend" price—which means that they share equitably in the higher price milk brings when it is used in fluid form and the lower prices brought by that used for making butter, ice cream, and other dairy products.

The orders do not regulate the prices consumers pay for milk, however.

The market administrator in each regulated area

calculates the blend price monthly on the basis of the utilization reports from handlers and the class prices specified in the order. He makes sure that producers receive their fair share by auditing handlers' books and by checking the weighing and testing of producers' milk.

Market administrators also regularly publish information on the supplies, sales, and prices of milk in the regulated market—a valuable aid to both producers and handlers in making judicious marketing decisions.

For fruits, vegetables, and related specialty crops like nuts, a marketing order program permits an industry to regulate the handling and marketing of its crops so as to prevent an erratic flow to market, reduce the total supply in primary market channels, prevent low quality produce from depressing prices, standardize containers and packs, or prevent unfair trading practices. These programs also provide a means of financing marketing research and development projects—including paid advertising and sales promotion activities for some commodities—and the collection of statistics and shipping information needed for effective operation of the program.

Every marketing order program for fruits, vegetables, and specialty crops is operated locally by an administrative committee made up of growers, or growers and handlers, nominated by the industry and appointed by the Secretary of Agriculture. The administrative committee recommends the regulations to be issued under the marketing order. If these recommendations meet with USDA approval, they are issued by the Secretary of Agriculture and become binding upon the entire industry.

Whenever the quality of domestic shipments of certain commodities is regulated under marketing orders, the Secretary of Agriculture must issue import regulations with the same or equivalent requirements.

For cotton, a research and promotion order enables producers to expand markets for cotton and its products and to improve cotton's competitive position in world markets. Growing competition from foreign cotton and from man-made fibers like nylon, acrylic, and polyester has made the need for intensified cotton research and promotion increasingly evident.

Under the cotton order, producers pay a per-bale assessment, to finance magazine, newspaper, and television advertising, and other promotional projects such as retail sales training and fashion shows. Funds from the assessments also support research on insect, disease, and weed control; on quality improvement mechanization, processing, marketing, and on developing and improving cotton products.

The order is administered by a Cotton Board composed of producers selected by the Secretary of Agriculture from nominations made by cotton producer organizations.

Perishable Agricultural Commodities Act

The Perishable Agricultural Commodities Act is designed to encourage fair trading practices in the marketing of fresh and frozen fruits and vegetables. It prohibits unfair and fraudulent practices and it provides a means of enforcing contracts in interstate or foreign commerce. It cuts risks in the marketing of these highly perishable foods and thus speeds their reliable delivery to consumers.

C&MS milk order specialists at a public hearing—an important part of all marketing order and agreement work, since every new order and every amendment must be based on evidence and testimony recorded at such hearings. The aim of the program is more orderly marketing, serving the interests of farmers, marketers, and consumers.

The PAC Act provides a code of ethics for the fruit and vegetable industry that might be summed up as "Get what you pay for—and pay for what you get."

It requires that parties comply with the terms of

BN-24655



their contracts. The seller must ship the specified quantity and quality—and the buyer must accept shipments delivered as promised. The buyer must pay promptly for purchased shipments, issue accurate accounts of sales, and pay net proceeds due for consigned shipments.

Misbranding of fruits and vegetables is prohibited. The act does not require any particular marking on containers, but those that are used must be accurate. Misrepresentations concerning grade, State of origin, and weight are unfair trading practices prohibited by the act.

Practically everyone in the produce industry, from growers' agents to large retailers, is covered by the

act. Except for growers marketing only their own crops, everyone who trades in fresh or frozen fruits or vegetables which move in interstate commerce must have a PACA license. This license can be suspended or revoked for violations of the act.

To administer the PAC Act, the Regulatory Branch of the C&MS Fruit and Vegetable Division maintains four field offices in addition to a staff in Washington, D. C. These men handle complaints involving unfair trading practices in the marketing of fruits and vegetables. They endeavor to bring parties together and arrange informal settlements of disputes.

If an informal settlement cannot be arranged, the injured person is given the opportunity to file a formal

Marketing orders in action—left, checking milk tests so payments to dairy farmers under Federal milk marketing orders will be correct.

Finding new uses—and thus, new markets—for cotton under a cotton research and promotion order.

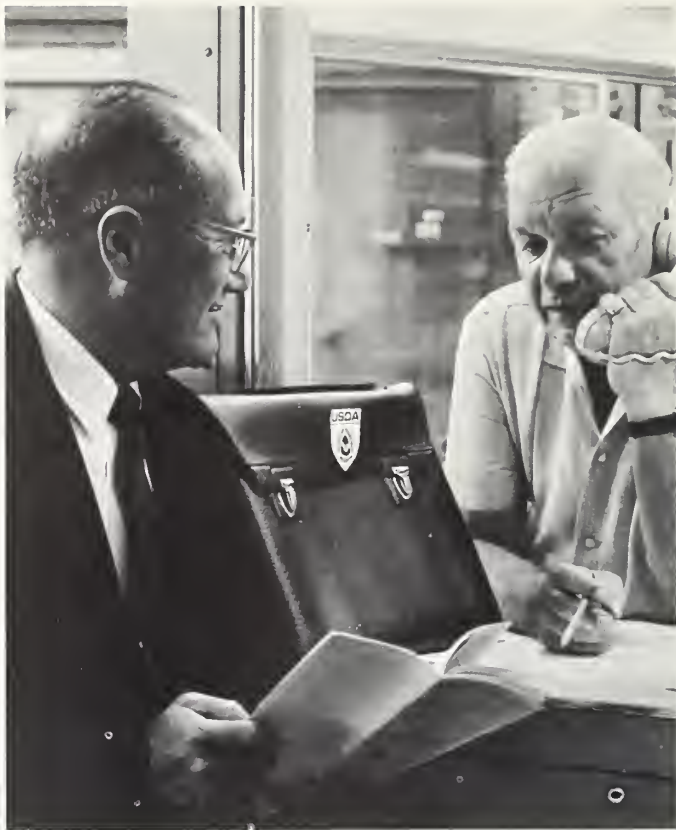
N-42878



N-47763



One of 20,000 persons licensed under the PAC Act, this fruit and vegetable wholesaler conducts much of his business by telephone. He can rely on the PACA man (left) for advice on his marketing transactions, as well as for help if his contract is broken.



ST-2874-7

ST-2759-11



A C&MS grader checks quality and size of nectarines to see that they meet standards set under a nectarine marketing order.

complaint, and a hearing may be held when the amount involved is more than \$1,500. USDA may issue a formal reparation award at the conclusion of the proceedings. If the award is not paid or appealed by the person charged with the violation, his license is suspended until settlement is made. In cases of repeated or flagrant violations of the act, USDA can institute disciplinary proceedings to suspend or revoke a produce dealer's license.

Perhaps more important than settling disputes is preventing them. PACA representatives regularly furnish advice to growers, shippers, and buyers on their marketing transactions when requested to do so, informing them of their rights and responsibilities under the PAC Act.

They also make spot checks from time to time at packing sheds, shipping points, terminal markets, and similar places, to make sure that the provisions of the act prohibiting misbranding are being observed.

A C&MS marketing specialist (right) goes over market factors with the administrator of a tomato marketing order.

N-51984





C&MS seed analyst tests a mixture of lawn seed for purity, separating it into its component kinds of seed, and separating out weed seeds, and inert matter. Later he'll calculate the percentage of each to determine whether the seed is correctly labeled. Such work is part of enforcing the Federal Seed Act—protection for farmers and homeowners who buy seed.

N-52155

Federal Seed Act

Good seed is basic to good agriculture—and to our food, feed, and fiber crops. So enforcement of the Federal Seed Act protects consumers as well as farmers and all who deal in seeds.

This law requires that all agricultural and vegetable seeds that move in interstate commerce be truthfully labeled. It prohibits false advertising. And it prohibits imports of low quality seed and screenings.

The Seed Act requires that the labels tell (1) the kind of seed (if the variety is named, it must be correctly named); (2) the percentage of pure seed; (3) the percentage of each kind of seed; (4) percentage of inert matter and weed seeds; (5) the germination rate and date of germination test; (6) a statement to show that the seed has been treated to control diseases or insects, if it has been so treated; and (7) the name and address of the shipper.

Enforcement of the law is the responsibility of the Seed Branch of the C&MS Grain Division. State governments cooperate closely, for each of the 50 States has its own seed law, too. In the five Federal seed laboratories, in different parts of the country, techni-

cians analyze seed samples sent in by the public or brought in by cooperating State seed inspectors who suspect violations. The analysts must be able to identify all kinds of seeds, separate the pure seeds from the weed seeds, and so on. Germination tests and trueness-to-variety tests are run, too.

Under a cooperative sampling arrangement with the Bureau of Customs, C&MS technicians test all imported agricultural and vegetable seed to determine if it meets the standards of quality established under the Seed Act and is eligible for entry into this country.

Criminal prosecution or civil action may be brought for violations of the law. Many such actions are brought each year—some for not having the required information on labels—some for misrepresentation of germination rates—some for misleading statements on the purity of the seed or its variety. Nevertheless, it is estimated that enforcement of the law since it was enacted in 1939 has reduced the percentage of seed that is falsely labeled from about 25 percent to less than 8 percent.

U. S. Warehouse Act

Safe storage plays an important part in the orderly marketing of agricultural commodities. When immediate sale is not advantageous, farmers and others who produce or merchandise these commodities want to be assured that their property will be properly safeguarded and maintained in good condition while in storage.

It is a function of the U.S. Warehouse Act to provide assurance of safe storage, through the operation of a warehouse-licensing system and a program of periodic inspections of licensed warehouses and their contents. Licensed warehouses are, in a very real sense, bankers of farm commodities—and the C&MS warehouse examiners work much like bank examiners. Receipts for products stored in these federally-licensed public warehouses have real value—they can be bought or sold or used to obtain credit.

Purely a voluntary service, inspection and licensing under the Warehouse Act is not required. It is provided only to those who request it and can qualify. More than 1,850 public warehouses, in 37 States, are licensed under the Act. They store almost all kinds of staple agricultural products—grain, cotton, dry beans, wool, tobacco, canned foods, and others. They can store some \$4 billion worth of products, and are generally pretty well filled.

C&MS warehouse examiners are kept busy making the rounds of these warehouses—inspecting facilities and products, personnel and policy. It is their responsibility to be sure that each Federally-licensed warehouse meets its obligations in terms of physical inventory, warehouse structure, and financial condition.

Warehouse examination is extended also, as a means of safeguarding farm commodities on which loans have been made under price support programs, to warehouses operating under agreements and contracts with the Commodity Credit Corporation.

Transportation Services

Transportation costs take a big share of the consumer's food dollar. So good, efficient transportation services for farm products, and reasonable rates, are important to everyone. They are of particular importance to farmers, both in marketing their products and in getting the supplies they need—the mixed feed, fuel, fertilizer, machinery, and so on—to the farm.

To help them get such services and rates in today's dynamic and rapidly changing transport situation is the responsibility of the Transportation and Warehouse Division—a responsibility specifically assigned by Congress to the USDA.

Working on this job are a staff of rail, water, motor truck, and air transportation specialists, transportation economists, and cost accountants. They work closely with farmers, shippers, farm organizations, consumers, other Government agencies, and State departments of agriculture. They frequently conduct transportation workshops for various State and area producer and marketing groups.

Often they are able to bring about needed changes in freight services or rates by negotiating informally with individual carriers or groups of carriers. When necessary, they file complaints or petitions and testify in formal proceedings before Federal and State agencies which regulate transportation.

The C&MS specialists continuously study the transportation system and how it is affecting farmers and the general public. They must keep up with the situation so that they will be able to assess proposed changes in rates and services—and determine when changes are needed. These studies form the basis for USDA policy on transportation.



N-38045



**Consumer Food Programs
FOR BETTER DIETS AND BETTER MARKETS**



In this country, no one need go hungry. C&MS Consumer Food Programs provide a means of helping children, low-income families, the unemployed, the disabled, the elderly—any who are not able to buy an adequate diet—to share in our Nation's abundance.

At the same time, these programs go far to widen markets for food, both today and for the future. So they are important, too, to farmers, to those in the business of marketing food, and, in fact, to the whole national economy.

Under the programs, in fiscal 1967:

- 1.7 billion pounds of food were made available to some 26.9 million Americans—school children, needy families, persons in institutions, and those living in areas where natural disasters struck.

- 3.7 million persons in needy families had a better diet because of food donations.

- 18.5 million children—about 2 out of every 5 attending U.S. schools—ate nutritionally balanced school lunches, provided under the National School Lunch Program.

- 3 billion half-pints of milk were served to children at reduced prices made possible by the Special Milk Program. (6.2 billion half-pints were consumed by children through both lunch and milk programs.)

- 1.8 million persons received aid in increasing the nutritional level of their diets through the Food Stamp Program.

- 80,000 children in 752 schools in 51 States received nourishing breakfasts under the Pilot School Breakfast Program.

The responsibility for directing these programs rests with C&MS which carries them out in cooperation with State and local government agencies throughout the country.

School Lunch

The National School Lunch Program has become the largest single food service industry in the Nation—more than a billion-dollar-a-year operation.

The first school lunches were served to pupils in this country more than 100 years ago, but the program as it is operating today was started in 1946 when Congress passed the National School Lunch Act. This provides not only cash and commodity assistance, but also national supervision and standards for the lunch program. State educational agencies are responsible for administering the program within the schools. Public and nonprofit private schools in all 50 States and the District of Columbia, as well as in Guam, Puerto Rico, the Virgin Islands, and American Samoa are taking part. The program is available to children enrolled in over three-fourths of the Nation's schools.

Schools in the program agree:

1. To operate their lunch program on a nonprofit basis.

2. To serve lunches free, or at a reduced price, to children unable to pay the full price.

3. To serve lunches which meet the nutritional standards established by USDA—the "Type A" lunch.

It is the job of C&MS nutritionists, home economists, and other program specialists not only to supervise the program, but also to work with State and local school lunch directors to help them with management problems and assist them in meeting the nutritional needs of children.

To do this, C&MS specialists provide a broad program of technical assistance which includes, among other things, the development and publication of



N-55004

guides on menu planning, quantity recipes, food management materials, and aids for workshop training programs for State and local school lunch workers.

Federal funds are apportioned to the States to be used for reimbursing the schools for part of the cost of the food they purchase from local suppliers. These funds must be matched from sources within the State, at the basic rate of \$3 for each Federal dollar.

C&MS buys some foods of high nutritive value specifically for distribution to schools taking part in the program.

And foods acquired by USDA in surplus removal and price support operations are also made available to the schools. These foods are offered, too, to other schools that have a food service but are not taking part in the National School Lunch Program.

In 1967, USDA donated to schools foods valued at some \$188.4 million. To meet the rest of their needs the schools purchased foods locally—about \$900 million worth.

Federal, State, and local agencies in recent years have directed increasing attention to the problem of providing lunches for needy children in schools located in areas of poor economic conditions—the children who really need the lunches most.

C&MS in 1961 authorized States to provide cash reimbursement out of Federal apportionment of funds above the maximum 9-cent rate previously allowed, to help such schools serve needy children. About half the States now use a variable rate formula that takes relative need into account in determining the cash-per-lunch rate for individual schools.

As more work is accomplished in solving these problems, the National School Lunch Program will play an increasing role in safeguarding the health and well-being of all the Nation's children—and at the same time help to create an ever-expanding market for farm products.

Child Nutrition Programs

The Child Nutrition Act of 1966 gave new dimension to school feeding activities in a national drive to assure good nutrition for all children in the Nation's schools.

SCHOOL BREAKFAST

Starting operations in January 1967, the School Breakfast Program peaked at some 80,000 children participating in 752 schools in 51 States and territories by June.

The program provides a nutritious breakfast to hungry children from low-income families and to those who travel long distances to get to school. Students pay as little as 10 cents per breakfast, or nothing, if their families are too poor to pay that nominal amount.

A typical breakfast may consist of orange juice, eggs or cereal and sausage, toast and butter, and

milk. This program fills a nutritional gap in the lives of many children helping them become more vigorous and alert.

NONFOOD ASSISTANCE

Under the new Act limited funds are available to help provide food service equipment for schools in low-income areas that have not been able to finance even minimal equipment or which need additional equipment in order to serve more children.

These are for the most part schools in remote areas of rural America or those in older sections of crowded cities. Local resources have so far been unable to build kitchens and cafeterias, pay school lunch personnel, and finance free lunches for the high percentage of needy students.

State and local officials are making effective use of this special aid to help start and maintain lunch programs that could not otherwise operate.

SPECIAL MILK

In addition to the milk that is served to children as a part of the Type A lunch under the school lunch program, a large amount of milk is served to children each year under provisions of the Special Milk Program—3 billion half-pints in 1967.

This program is open not only to schools, but also to orphanages, settlement houses, summer camps, and



similar nonprofit institutions devoted to the care and training of children. Some 95,000 such schools and institutions are taking part—making it possible for them to serve more milk to children, or if it is offered for sale, to offer it at a reduced price. At least 9 out of every 10 children in school can obtain milk under the provisions of this program, which in essence is a system of reimbursement or incentive payments.

The job of administering the program is a big one—it means working with large numbers of State and local authorities—but often the same C&MS employees who work on the school lunch program combine this work with carrying out the provisions of the Special Milk Program.

The program has proved an effective means of encouraging children to drink more milk—it now accounts for about 2½ percent of the annual nonfarm consumption of fluid milk.

Commodity Distribution

Getting food to people who need it is the job of the Commodity Distribution Division.

The foods that are distributed are obtained through USDA's price support programs and surplus removal activities. Additional foods are purchased specifically for schools in the National School Lunch Program, to help them meet lunch-type requirements.

Aims of the distribution program are: to make constructive use of our agricultural abundance, and to improve the diets and health of vulnerable groups in our population.

The foods go to schools, to nonprofit summer camps, to charitable institutions, and to needy families. In areas where the food stamp program is not in operation, local governments are encouraged to make the donated foods program available to needy families.

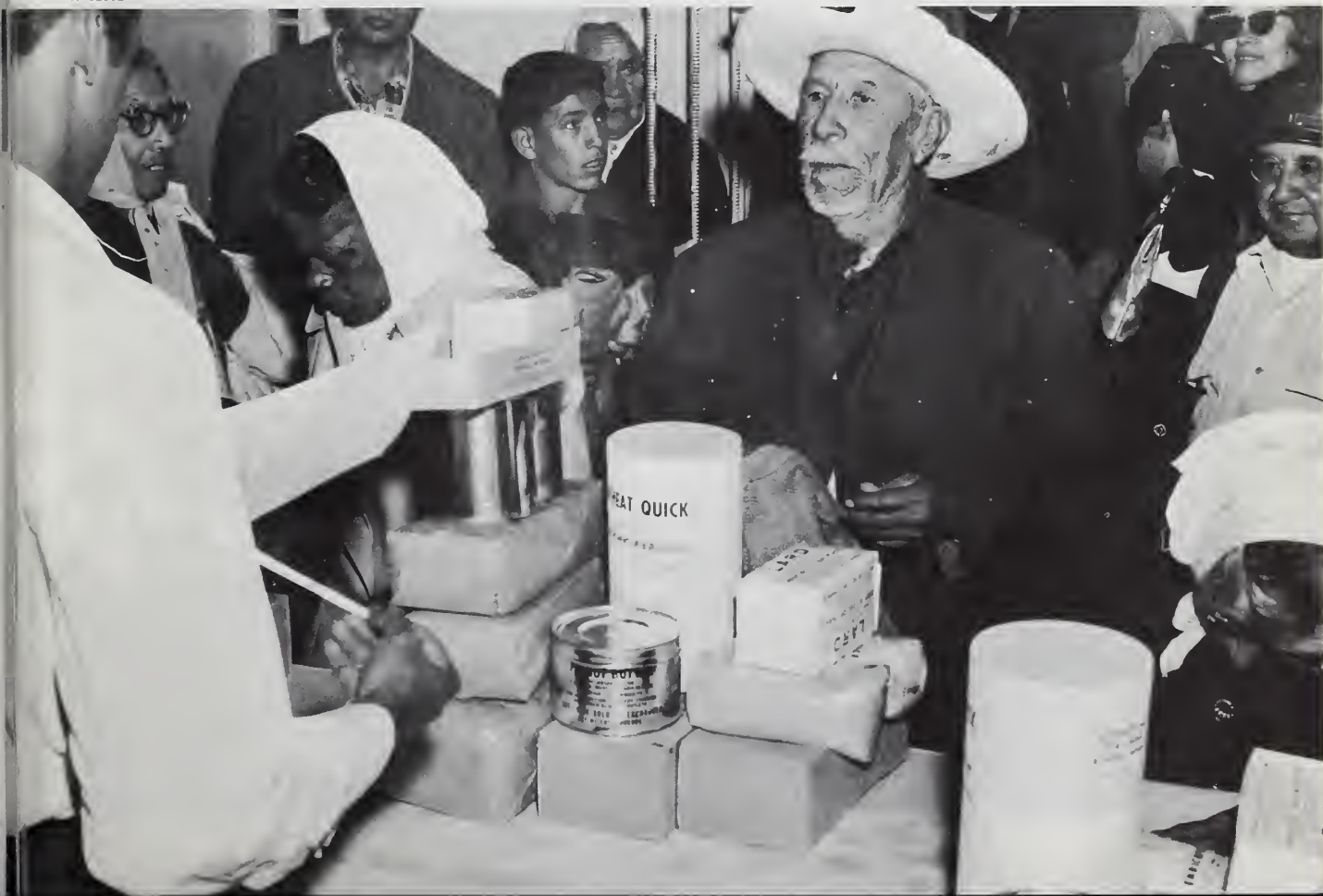
The program also serves, in the long run, to expand the demand for nutritious food. It uses the surpluses of today to build markets for tomorrow.

Distribution is handled by State and local governmental agencies. Public welfare agencies are responsible for certifying the eligibility of needy household recipients. Participation in the program is voluntary; the State and local agencies—and the people served by these agencies—choose whether or not to take part.

C&MS directs and coordinates the program on a cooperative basis, and sets standards through plans of operation for State participation.

It also arranges for and finances necessary processing and packaging of the foods and pays the cost of transporting them in carload lots to receiving points in the States and U.S. territories. It is from these points that the States take over the management and distribution of the foods.

N-52062



C&MS food distribution workers must be well versed in large-scale food packaging, handling, processing, transportation, and related operations. In addition to directing the distribution functions, they also aid the State and local agencies in meeting the federal program requirements. And they cooperate with the States to help food recipients make wise use of the donated foods. To this end, they provide practical lessons in nutrition and food management by distributing recipes and menus, holding demonstrations, obtaining newspaper publicity, and participating in television programs.

When disasters like hurricanes or floods occur, supplies of donated foods are quickly made available to help aid the victims. Substantial amounts of these foods are almost always available in or near such spots—in school cafeterias and warehouses or in State facilities, awaiting donation to needy persons and institutions—and such emergency use takes priority over all other purposes.

Food Stamp Program

In 1964, after three years of testing on a pilot basis, the Food Stamp Program was enacted by Con-

gress. This program is designed to be a major weapon in the war on poverty.

Through it, low-income families can expand their food-purchasing power, improve their diets and their health. And through expanding food purchases, the agricultural economy is strengthened, too.

The Food Stamp Program operates through normal channels of trade. It enables families with low incomes to exchange the amount of money they would normally spend on food for food coupons worth more. The family then can use these Federal coupons to purchase food at prevailing retail prices at any regular retail store which has been approved to accept them. Grocers redeem the coupons through participating commercial banks, which in turn are reimbursed by USDA through the Federal Reserve System.

In effect, the program increases the food purchasing ability of needy families, enabling them to consume, in particular, more meat, poultry, milk, fruits, and vegetables. Thus the diets of these families are improved both in quantity and quality, and the increased consumption of these foods aids in expanding markets for American farmers. In addition, the increase in retail food sales stimulates the local economy.

N-48174





In other respects, the food stamp program operates in a manner similar to commodity distribution programs—that is, the State welfare agencies are responsible for certifying the eligibility of recipients, and for getting the food coupons to the needy families, while national supervision is exercised by C&MS. Participating retailers and wholesalers are authorized by C&MS personnel. C&MS food stamp workers also cooperate with nutrition education agencies within the States to help participating families make the most of their added food purchasing power.

Plentiful Foods

The Plentiful Foods Program is a part of USDA's broad policy of providing food distributors and consumers with information on food supplies and prices.

Its purpose is to expand the market for foods that are in peak seasonal supply or are otherwise plentiful.

It is essentially a program to enlist concerted action by the Nation's grocers and food service establishments to focus consumer attention on "plentifuls." This is done through stimulating creative merchandising during a specific period, with simultaneous publicity in the press and on radio and television. The trade elements are alerted to current plentiful foods

Emergency Readiness Program

Built-in readiness is the basic concept of the U.S. Department of Agriculture's defense planning.

Under the National Plan for Emergency Readiness, USDA is assigned the basic responsibility for planning and operations in the areas of food production and food distribution through the wholesaler level. State and local governments are responsible for distribution

through a monthly periodical called the "Plentiful Foods List," and through other special bulletins and personal contact by field personnel. The material is aimed at the grocery trade and all important food service operations, including restaurants, industrial and institutional feeders, and schools participating in the National School Lunch Program.

Information about plentiful foods is also supplied regularly to mass media (especially to food editors) and to persons doing educational work in home economics and nutrition.

C&MS program specialists select the foods each month for designation as "plentiful," basing their selections on the Department's crop reporting and outlook services. In some instances, the Plentiful Foods Lists are localized on an area basis to reflect regional variations in supply, thus providing for merchandising emphasis on local as well as national "plentifuls."

Merchandising emphasis on plentiful foods results in (1) increased movement through commercial channels—often with attendant price improvement for producers; (2) increased sales opportunities for the food trade; and (3) a wise-buy food guide for consumers.

below wholesale and for consumer rationing and mass feeding.

Within the USDA organization, the assignment of C&MS is that of managing existing food supplies, their processing, storage, and distribution in a national emergency.

C&MS works closely with State government and food industry task groups in this assignment.



Federal Laws BASIS OF C&MS PROGRAMS

Consumer Protection

WHOLESOME MEAT ACT—Requires Federal inspection for wholesomeness of all meat and meat products prepared in plants engaged in interstate or foreign trade, and all meat and meat products imported into the United States; also requires Federal inspection for wholesomeness of all horse meat and horse meat products produced in plants engaged in interstate and foreign commerce, and requires conspicuous identification and labeling of such products as "horsemeat" or "horsemeat products." Provides for Federal financial and technical aid to States that wish to develop inspection programs equivalent to Federal inspection.

POULTRY PRODUCTS INSPECTION ACT—Requires Federal inspection for wholesomeness for all poultry and poultry products processed in plants engaged in interstate or foreign commerce, and all poultry and poultry products imported into the United States.

HUMANE SLAUGHTER ACT—Requires that packers who wish to sell meat and meat products to agencies of the Federal Government must use methods of slaughter declared as humane by the Secretary of Agriculture.

PROCESSED BUTTER ACT—Requires Federal inspection for wholesomeness of all processed or renovated butter, and conspicuous labeling of such butter for adequate identification. (Amendment to Internal Revenue Code, Sec. 2325, with responsibility assigned to Secretary of Agriculture.)

Marketing Services

AGRICULTURAL MARKETING ACT OF 1946—Provides the basic authority for many functions of the Consumer and Marketing Service. In enacting this law, Congress

declared its intent to provide for a scientific approach to the marketing of farm products and to establish an integrated administration of all Federal laws aimed at improving the distribution of farm products through research, marketing aids and services, and regulatory activities. This act authorizes Federal standards for farm products, grading and inspection services, market news services, cooperative agreements, transportation services, market expansion activities, consumer education work, and various other functions of C&MS.

AGRICULTURAL ACT OF 1935 (PUBLIC LAW 320)—SECTION 32—Authorizes purchase, export, and diversion programs to widen market outlets for surplus farm commodities. Provides for limited price assistance to farmers and for increasing the use of agricultural products among low income groups.

U.S. COTTON STANDARDS ACT—Provides for (1) establishment, preparation, distribution, and use of official standards for cotton, and (2) a cotton classing service on a fee basis for shippers, spinners, and the general public.

COTTON FUTURES PROVISIONS OF THE INTERNAL REVENUE CODE OF 1954—Requires that each bale of cotton delivered in settlement of futures contracts be classed by a USDA cotton classing office. Also provides for the designation of bona fide spot cotton markets and the issuance of cotton price quotations for these markets.

COTTON STATISTICS AND ESTIMATES ACT—Provides for (1) a report and estimates of the grades and staple lengths in the carry-over of cotton stocks as of August 1 each year, and (2) periodic reports each year on estimates of the grades and staple lengths of the cotton crop.

(a) **SMITH-DOXEY AMENDMENT**—Provides a free cotton classing and market news service to groups of farmers organ-

ized to promote the improvement of cotton.

(b) **COTTON SERVICE TESTING AMENDMENT**—Provides cotton fiber tests and small scale spinning tests for breeders, merchants, consumers, and others to promote objective measures of cotton quality, orderly marketing, and better varieties of cotton.

U.S. GRAIN STANDARDS ACT—Authorizes official standards for grain, requires inspection, based on these standards, of grain sold by grade in interstate or foreign commerce when shipped from or to a designate inspection point; prohibits deceptive handling and inspection practices.

NAVAL STORES ACT—Provides for defining and establishing standards; establishing methods for analysis, inspection, sampling and grading of naval stores products; and regulating the labeling, advertising, and packing of such products for sale in commerce.

TOBACCO INSPECTION ACT—Provides for establishing and promoting the use of standards of classification for tobacco and maintaining official tobacco inspection and market news services.

TOBACCO STOCKS AND STANDARDS ACT—Provides for the collection of statistics on stocks of leaf tobacco held by dealers and manufacturers and publication of these and other statistics for tobacco.

WOOL STANDARDS ACT—Authorizes the use of certain funds for wool standardization and grading work.

Market Regulation

AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, AS AMENDED—Authorizes establishment of marketing orders and agreements to regulate the handling of milk and setting of minimum prices to farmers, and to regulate quality or quantity of shipments and types of containers and packs of specified fruits, vegetables,

nuts, hops and certain other commodities. Also requires regulation of imports into the United States of certain of these commodities whenever domestic shipments are subject to quality regulations under a marketing order.

AGRICULTURAL ADJUSTMENT ACT OF 1938—SECTION 201—Authorizes work to assist producers and cooperatives in obtaining and maintaining equitable transportation rates, charges, and services on farm products and farm supplies.

COTTON RESEARCH AND PROMOTION ACT—Authorizes a research and promotion order for sponsoring projects which improve cotton and its products and increase sales in U.S. and foreign markets.

EXPORT APPLE AND PEAR ACT—Requires inspection of fresh apples and pears exported from the United States to determine that they meet minimum quality specifications established under this Act by the Secretary of Agriculture.

EXPORT GRAPE AND PLUM ACT—Requires inspection of export shipments of those types of fresh grapes and plums in which the Secretary of Agriculture has established minimum quality specifications under this Act.

FEDERAL SEED ACT—Requires truthful labeling of seed shipped in interstate commerce, prohibits false advertising, and prohibits importation of low quality seed and screenings.

PERISHABLE AGRICULTURAL COMMODITIES ACT—Prohibits unfair and fraudulent practices in the marketing of fresh or frozen fruits and vegetables and requires that dealers, commission merchants, brokers, shippers, and growers' agents handling these commodities in interstate or foreign commerce be licensed.

PRODUCE AGENCY ACT—Prohibits fraudulent practices in connection with consignment transactions involving all types of perishable farm produce, such as dairy and poultry products, fresh fruits and vegetables, cut flowers, and Christmas trees.

STANDARD CONTAINER ACTS OF 1916 AND 1928—Requires that the containers subject to these laws (baskets, hampers, and barrels) comply with certain specific capacities to prevent the use of deceptive containers in marketing produce.

TOBACCO PLANT AND SEED EXPORTATION ACT—Prohibits the exportation of tobacco seed and plants except for experimental purposes.

U.S. WAREHOUSE ACT—Authorizes licensing and bonding of public warehouses for storage of agricultural products. Provides for periodic inspection of warehouses and products to insure the safekeeping of the products stored.

Consumer Food Programs

AGRICULTURAL ACT OF 1949—SECTION 416—Provides that commodities acquired by Commodity Credit Corporation in price support activities may be used, among other purposes, for donation to the Bureau of Indian Affairs, schools, and other nonprofit or charitable institutions. Also provides for donations to needy persons abroad through U.S. voluntary relief organizations.

AGRICULTURAL ACT OF 1956—SECTION 210—Authorizes donation of commodities to Federal penal and correctional institutions and to State correctional institutions for minors.

AGRICULTURAL ACT OF 1961—SECTION 402—Provides continuing authority to encourage use of milk in schools, child-care centers, summer camps, and other similar nonprofit institutions devoted to the care and training of children.

FOOD STAMP ACT OF 1964—Authorizes a food stamp program under which low-income households may receive a coupon allotment for the purchase of foods from retail food stores; authorizes the printing of food coupons and their redemption through the Federal Reserve Banking System.

NATIONAL SCHOOL LUNCH ACT OF 1946—Provides for measures to aid schools in establishing nonprofit lunch programs and to "safeguard the health and well-being of the Nation's children, and encourage the domestic consumption of nutritious agricultural commodities and other food." Section 6 of this Act provides authority to purchase foods specifically for use in the lunch program.

FEDERAL CIVIL DEFENSE ACT AND DEFENSE PRODUCTION ACT OF 1950—Authorizes emergency readiness activities. Under this authority, C&MS is responsible for food management activities which would be required following an attack on this country.

Child Nutrition Act of 1966—Authorizes food service equipment for schools in low-income areas and for a pilot school breakfast program. Also extends Special Milk Program, authorizes funds to aid States in developing technical assistance for local schools, and makes pre-school children in school-administered activities eligible for food service assistance.

C&S
M